

Credit rule change

To implement the Equal Credit Opportunity Act, which went into effect Oct. 28, Federal Reserve System (the Fed) has issued final regulations that spell out what creditors can & cannot do in granting credit & reporting information about consumers. One provision in the new regulations—which CONSUMER NEWS covered in the Oct. 15 issue—involves notifying consumers of a denial or termination of credit. CONSUMER NEWS gave the wrong date for this provision to go into effect. Instead of Oct. 28, the new rule will take effect Jan. 31, 1976. It will require creditors to give applicants, upon request, the reasons for denial or termination of credit. The new rule will also require credit companies to furnish all applicants "within a reasonable time after receiving an application" a notice of action taken. This can be done either in writing or orally.

Auto hotline

800-424-0123. That's the number of a new toll-free telephone hotline for answers to your questions about car recalls & other vehicle-related safety problems. Established on an experimental basis by **National Highway Traffic Safety Administration (NHTSA)**, the hotline is equipped to give the defect-history of a used car model that a consumer is considering buying. Hotline staff will also be able to answer questions concerning product recalls, such as tires. In addition, NHTSA hopes that consumers will use the hotline to report their experiences with possible car defects & other safety-related problems.

Because the hotline is now only a pilot program, it services customers in 10 states & Washington, D.C. However, officials hope the experimental telephone service will prove useful enough for both consumers—& NHTSA—that the agency will be able to set up a permanent national hotline. As of now, the hotline is servicing Connecticut; Delaware; Washington, D.C.; Maryland; New Jersey; New York City, Long Island & Buffalo, NY; North Carolina; southern Ohio (513 & 614 area codes); Pennsylvania; Virginia; & West Virginia.

Land sales

Justice Dept. announced that it has indicted the Amrep Corp. of New York, developer of Rio Rancho Estates, near Albuquerque, NM, on some 80 counts, including defrauding consumers of more than \$200 million. Amrep Corp. is alleged to have misled purchasers into believing the lots were suitable for "homesites" & commercial use. Amrep also is alleged to have participated in mail fraud & other violations of the Interstate Land Sales Act.

consumer news

DEPARTMENT OF HEALTH, EDUCATION & WELFARE

Office of Consumer Affairs

Virginia H. Knauer, Director

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Statement by the President

The following excerpts are from President Ford's statement of Nov. 4:

"This morning I received a interim report from Virginia Knauer [Special Assistant to the President for Consumer Affairs & Director, **Office of Consumer Affairs**] and Jim Lynn [Assistant to the President & Director, **Office of Management & Budget**] on the status of the Departmental Consumer Representation Plans [CONSUMER NEWS: May 15]. I am pleased with the progress made to date.

"Last April, as you may recall, I requested each of the departments and agencies in the Executive Branch to analyze their entire decision-making process to determine where additional consumer input might be helpful in making Federal agencies more responsive to the needs of the American consumer.

"The plans developed by these departments and agencies will be published this month in the *Federal Register*. Following publication, there will be a major effort to disseminate copies of these plans to all interested consumers as well as other interested groups.

"So that there will be no delay, however, in this effort to open up to the public the decision-making processes of the Executive Branch, I have instructed each department and agency to move ahead at once on putting these plans into effect. Adjustments can be made later as circumstances warrant. . . ."

Dear Consumer

When the *Federal Register* publishes the Departmental Consumer Representation Plans, I hope you will study them & make comments & suggestions. The plans will be mailed to you as a supplement to CONSUMER NEWS. When you have studied the plans, please try to arrange to attend one of the public hearings that will be held to get consumer reaction to the plans. These hearings, which should begin in January, will be in at least 10 cities across the country. CONSUMER NEWS will report dates & locations of hearings. If you cannot attend the hearings, please send your comments to the address listed in the plans.

Once we have received your reactions & ideas, agencies will be able to incorporate your suggestions into the plans as President Ford said.

Sincerely,

Virginia Knauer

Agency names top energy efficient appliances

As the largest consumer of energy in this country, the Federal Government is using its purchasing power to stimulate the production of more energy efficient products for consumers. Through a new program developed by **National Bureau of Standards (NBS) & General Services Administration (GSA)**, the government is buying products that use less energy & is encouraging industry to make these same products available to consumers. Thus far, the new program has led to the purchase of more than \$14 million worth of air conditioners, kitchen ranges, water heaters & refrigerator-freezers for Federal use, primarily at military installations—all of which are much more energy efficient & which are being stocked in stores for you to buy.

Products already bought under the new program were selected by GSA, using a buying policy called "life cycle costing." This policy evaluates original cost of the item, & more importantly, the costs involved in operating the product. (Traditional government buying practices have emphasized the lowest purchase price for a product.) GSA is looking for products that may be more expensive to buy initially, but which, during their lifetime, are more efficient to operate, & therefore, are more economical in the long run.

Using life cycle costing, GSA's more energy efficient purchases include:

- Air conditioners that are estimated to use 21% less energy than previous models bought by the government. GSA has awarded contracts to General Electric Co. & Fedders Corp. for approximately 27,000 room air conditioners & expects to save about \$400,000 in utility bills over the expected 7-year lifetime of these products.

- Water heaters that, due to more efficient heating units, use 11% less energy than previous models. In this case, GSA has contracted for an estimated 7,700 heaters (of which about 6,100 are gas & 1,600 are electric) from A.O. Smith Corp. Although this company is a large manufacturer of water heaters in this country, it used to sell these particular models only in France, where energy costs have always been higher than here. However, as a result of winning this government contract, the company is now selling these heaters in the U.S.

- 3,720 electric & 22,200 gas ranges estimated to be 7% more energy efficient than past models bought by the government. The electric ranges are expected to save the government \$120,000 in operating costs over the next 12 years while the gas ranges should save about \$620,000. Companies making these ranges are (1) electric—Sunray Stove Co., a division of Glenwood Range Co., & General Electric Co. & (2) gas—Sunray Co., Roper Corp. & Crown Stove Works.

- Refrigerators that are estimated to be 15% more energy efficient. GSA awarded the contract for 14,300 units to General Electric Co. & its Hotpoint Division & to Philco, a division of the Ford Motor Co.

In each of these cases, the appliances were considered the most energy efficient for the price to the government but they may not be most energy efficient in retail outlets. For one thing, GSA makes its selections only from among those companies competing for bids (& not all companies bid for Federal contracts). In addition, GSA chooses those products that, under the life cycle cost method, are the lowest in overall cost. That means that there may be more efficient products on the market but that their initial cost may be too high to qualify for a government contract on a life cycle cost basis. Due to these special considerations then, GSA will not endorse any one product for consumer use.

GSA makes available to consumers a complete listing of all the products it buys that are also sold commercially. You can get this listing by sending \$1.50 to Consumer Information, Pueblo, CO 81009. Ask for a copy of *Brand Names*.

GSA is also making available, through CONSUMER NEWS, this complete listing of the models numbers for the appliances it has bought for Federal Government use on basis of life cycle costs.

AIR CONDITIONERS

Fedders models:	ACL 16 E 7H	ACL 18E 7H	ASL 19E 7H	ASD 24E 7H
General Electric models:	AG FE 90 9F	AGFS 81 3D		
RANGES (Electric)				
General Electric models:	JASO 4			
Sunray models:	ASRE 22 AX 033	ASRC 24 CB 029	ASRC 26 GX OJK	ASRE 26 GX OJK
RANGES (gas)				
Crown model:	847-207 KGOWT			
Roper model:	1234-W			
Sunray models:	SSP 22 BD	SSP 29 DA		
REFRIGERATORS				
General Electric models:	TA 10DR-N	TB 12 SR-N	TB 14 SS-B	
	TB F 16 S	TB FF 19 D	TF F 22 D	
	TF F 24D			
Hotpoint models:	CTF 14 E	CTF 18 C		
Philco model:	RT 17 B6			
WATER HEATERS				
A.O. Smith models:	PGC 40	PGC 50	PEC 52	PEC 80

Holiday mailings

Postal Service (PS) offers these tips to help you keep postage costs down when mailing holiday cards & packages:

- When sending packages, use lightweight wrapping & packing materials & a box that's only slightly larger than its contents. An over-sized box costs more to mail, & there is the chance that fragile items will move around inside and break.

- If the package contains books, send it at the low-cost book rate.

- You can send packages to servicemen overseas by 2 inexpensive methods: SAM (Space Available Mail) or PAL (Parcel Air Lift). SAM sends packages by surface transportation to the East or West Coast & then flies them to their destinations as space becomes available. SAM costs only the parcel-post rate.

PAL, on the other hand, sends packages by air all the way. Rates are those for regular parcel-post plus an additional dollar. Weight limit on SAM packages is 15 lbs. (6.9 kilograms); on PAL, 30 lbs. (13.6 kg.). Both are limited in size to 60 inches (152 centimeters)—length of the longest side added to the girth.

- If you decide to insure the package, only insure it for its real value. In the case of loss or damage, insurance is paid on the actual value of the contents, not the declared value.

- Whenever you send a package—holiday time or otherwise—place your address as well as the receiver's address inside & outside the package. If the package winds up in a dead-letter office because the outside address is unreadable, postal authorities will open the package & then mail it if there is an address inside.

- With greetings going abroad, you save money if you write them on lightweight, postage-paid "Aerogramme" stationary that folds to form its own envelope. This stationery is available at your local post office.

Besides these money-saving tips, PS has another suggestion for the holidays: mail early. Cards & letters to the contiguous 48 states should be mailed by Dec. 21 & mail to Alaska & Hawaii should be sent by Dec. 20. For packages sent parcel-post, mail by Dec. 10 for the continental U.S. & by Nov. 30 for Alaska & Hawaii. For greeting cards going to friends abroad, mail by Dec. 14 if they live in the Far East, Africa or the Near East. To Latin America or Europe, the deadline is Dec. 16, & to Canada or Mexico, the date is Dec. 19. Your post office can give you more details including the list of dates for mail going to the armed forces.

Christmas post cards

Although new postage rates are not scheduled to go into effect until Dec. 28 [RATE REGISTER: Oct. 1 & Oct. 15], you can save money now & after Christmas by using holiday post cards. According to the National Association of Greeting Card Publishers, most card publishers produce Christmas post cards. Prices & sizes vary, but all—except extra large cards—can be mailed for 8 cents now. On Dec. 28, the postage for cards will drop to 7 cents. This means, for example, that before Christmas you can save 50 cents sending 25 post cards instead of 25 folded greeting cards in envelopes. After Dec. 27, the cost of mailing 25 folded cards will be \$3.25 compared with \$1.75 for mailing 25 greeting post cards. Plus, you will probably save money on the cost of cards since post cards tend to be cheaper than folded cards.

Some post cards reflect the holiday season only on the picture side, using religious, winter, Santa or comic scenes. Others have a brief "greeting" on the message side of the card in addition to a holiday picture.

If you have difficulty in finding Christmas post cards, ask for them. The greeting card association says that if consumers show increased interest in post card greetings, production will increase & more themes will be available.

Catalog gifts

Since **Federal Trade Commission's (FTC)** new regulation about shipment of mail order merchandise within 30 days does not go into effect until Feb. 2, 1976, (CONSUMER NEWS: Nov. 1), CONSUMER NEWS called several mail order companies to find out how they planned to handle orders for December gifts.

Large companies—such as Montgomery Ward, J.C. Penney, Sears Roebuck & Spiegel—urge consumers to order as soon as possible to avoid the Christmas mail crunch. Penney, for example, gives 24-hour service & makes every effort to fill all orders received on or before Dec. 18. However, Garfinckel's in Washington, DC, says that after Dec. 7, it will notify customers whether orders can be filled in time for Christmas delivery.

Smaller mail order companies—such as Swiss Colony, House of Minnel & Casual Living—sometimes charge air parcel handling costs if customers request delivery in December before Christmas.

A word from **Postal Service (PS)**: Most catalog orders take 4 to 6 weeks for delivery. PS does not guarantee delivery by Christmas for packages that mail order companies place in the mail after Dec. 10. (or after Nov. 30 if delivery is to Alaska or Hawaii). Priority mail, for which there is a special air parcel handling charge, is guaranteed delivery if mailed by Dec. 21.

Recalls

NOSE DROPS & SKIN DRESSINGS—Food & Drug Administration (FDA) announces recall of all lots of "Chlorophyllution" Isotonic Saline Solution of Chlorophyll. Manufactured by ICN Pharmaceuticals, Covina, CA. Approximately 1200 1-oz. (30 milliliters) & 2400 4-oz. (120 milliliters) bottles were distributed nationwide over the past 2 years. According to FDA, drops & dressings are being recalled because they are suspected to contain bacterial contamination.

ORAL CONTRACEPTIVES—Food & Drug Administration (FDA) announces recall of all lots of Modicon Tablets. Manufactured by Ortho Pharmaceutical Corp., Raritan, NJ. A total of 2,988,820 dialpacks, each containing 21 tablets, were distributed nationwide, including the Virgin Islands & Puerto Rico. According to FDA, tablets are being recalled because they are suspected to be subpotent in estrogen, which may lower contraceptive effect.

What to do: If you are now using this type, check with your doctor about switching to an alternate type.

Energy update: natural gas imports?

General Accounting Office (GAO) has issued a new report on natural gas, to help the Federal agencies determine the need for more natural gas imports. But in addition to explaining the pros & cons of importing natural gas (natural gas is brought into this country through a pipeline or in the form of liquified natural gas—LNG—from foreign sources), the report also gives important statistics about the scope of the natural gas shortage & what it could mean to consumers.

Situation

According to the report, here is a simple description of what's happening:

- Although natural gas is needed for about 30% of our total energy requirements (it ranks second to oil), our reserves have generally been declining since 1967 because new discoveries have not kept pace with domestic production.

- At the same time, the use of natural gas has risen dramatically, so that now about 44.7 million Americans depend on

natural gas to heat homes & apartments & to satisfy commercial & industrial needs. In addition, about a fourth of the electricity generated in the U.S. is fueled by natural gas. Expressed in terms of our total population, this means that about 50 million Americans depend on natural gas to generate their electricity.

- The reason why consumption of natural gas has been steadily rising is because of its lower cost (the cost is regulated) & the fact that it is cleaner & easier to use than other energy sources, such as oil & coal.

- But while demand for natural gas has been increasing, the country has been experiencing a growing gas shortage, which has forced pipeline companies & distributors to curtail deliveries. Further, the shortage is expected to increase considerably. GAO's study quotes from the Project Independence report, issued in November 1974 by **Federal Energy Administration (FEA)** & several other agencies. This report did not predict a major increase in production of natural gas before 1980—even if gas is deregulated

& prices allowed to rise substantially. This is because of a lack of drilling rigs, piping, & skilled drilling crews.

Conservation

According to GAO's study, the growing natural gas shortage could be lessened by reducing the demand for gas & increasing the available supply. The report explains these actions in more detail:

1. Reducing demand—This involves switching to other energy sources, such as oil & coal & such nonconventional energy sources as oil from shale & synthetic gas from coal. However, the report cautions that there are economic & maybe environmental problems associated with all these energy forms.

The other way to reduce demand is through conservation. According to GAO's report, conservation by consumers has reduced overall gas use by about 5%. The study says that conservation cannot solve the energy problem, but it can increase the availability of natural gas & other energy forms to meet high priority de-

mands (home heating & industrial use).

2. Increasing the gas supply—This involves increasing domestic gas production & importing more supplies.

Importation

The study concludes that in the short run, we cannot produce enough gas to meet our current needs. Therefore, the agency looked into such short-term measures as importing liquified natural gas as a possible solution.

In examining the question of importing natural gas, the study found that:

- Presently, domestic natural gas production provides over 95% of all the gas we use. The remainder is imported, mainly through a pipeline from Canada.

- However, while transporting natural gas through a pipeline is a relatively easy task, ocean shipment is another matter, involving billions of dollars of investment in liquefaction plants, special ship carriers & other facilities. For this reason, importing LNG will only contribute minimally to our domestic supply.

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